

CLASSIFICATION RESTRICTED 7
CENTRAL INTELLIGENCE AGENCY REPORT STAT
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO.

COUNTRY German Democratic Republic DATE OF INFORMATION 1950

SUBJECT Economic - Chemical industry DATE DIST. 6 Dec 1950

HOW PUBLISHED Monthly periodical NO. OF PAGES 4

WHERE PUBLISHED Duesseldorf SUPPLEMENT TO REPORT NO.

DATE PUBLISHED Sep 1950

LANGUAGE German

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS FORBIDDEN.

THIS IS UNEVALUATED INFORMATION

SOURCE Chemische Industrie, No 9, 1950.

THE GERMAN GOLD- AND SILVER-
REFINING INSTITUTE, DEGUSSA

The end of World War II put a stop to the continuous expansion of Degussa (Deutsche Gold- und Silber-Scheidanstalt, German Gold and Silver Refining Institute), an enterprise whose establishment dates back to 1841.

Large-scale destruction of production facilities and the political partitioning of Germany in 1945 ruptured the former structure of Degussa. Located in Soviet Zone Germany and in the German territories which have passed into Polish control, the following plants, have been lost to the economy of the Western world:

Frankfurt/Oder plant: The production program included acetic acid, propionic acid, butyric acid, sodium acetate, amyl acetate, butyl acetate, higher alcohols distilled from fusel oil, softeners, ethyl ether, tincture of valerian, tincture of garrica, etc.

Fuerstenberg/Oder plant: Carbide, methanol, ammonia, and formaldehyde. This large enterprise was destroyed almost completely during the war and the remainder was blown up. The grounds were confiscated.

Greifenhagen plant (Pommern, under Polish administration): Charcoal, pyrolic acid, crude acetic acid, etc.

Vossvalde plant (Upper Silesia, Polish administration): Production program as above.

Wildau Plant (south of Berlin): Methanol, acetaldehyde, formaldehyde, hexamethylene tetramine, pentaerythrite, acetone cyanhydrin, wood alcohol. The enterprise was dismantled and expropriated. Pentaerythrite, acetone cyanhydrin, and hexamethylene tetramine are now being produced in the West German Mombach and Bruchhausen plants.

The following Degussa subsidiaries are also located in Soviet Zone Germany and in the territory under Polish administration:

- 1 -

CLASSIFICATION		RESTRICTED		DISTRIBUTION							
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB									
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI									

RESTRICTED

RESTRICTED

STAT

Atlas-Ago, G.m.b.H. (limited liability company) (Moelkau, near Leipzig). When this enterprise was expropriated, the company's seat was transferred to Frankfurt/Main. Since the firm has not yet established its own factory installations, the Atlas-Ago products, glues, adhesives, lacquers, etc., are being manufactured by the Degussa branch in Hanau, the former Deutsche Kunstlederwerke (German Artificial Leather Works) G.m.b.H.

Carbon Chemical Plants, Ltd (Ratibor, Upper Silesia): Active carbon. At present this item is being supplied entirely by the Brillon-Wald plant.

Gruenau Chemical Factory, Inc (Berlin-Gruenau): Medicines, cosmetics, protective materials for buildings, chemicals for the textile industry, detergents, disinfectants, bromine, boron, iodine, and bismuth compounds. The plant is being operated as a people-owned enterprise. The company therefore moved its seat to Frankfurt/Main and transferred its production rights to the Tepha Association for Pharmaceutical and Chemical Products, Ltd in Wolfgang. Tepha's corporate shares, at their full value, are the property of Degussa. The latter concern also owns 86 percent of the corporate capital of the Gruenau Chemical Factories.

Wachs- und Ledertuch G.m.b.H. (Treuen, Vogtland): Oilcloth and leather cloth. Now a people-owned enterprise, The seat was transferred to Frankfurt/Main in 1949. It does not yet have production facilities of its own.

Hydrocarbon Company for Chemical Products Ltd (Berlin, NW 87): Manufacturers of acetylene black. The plant in Berlin-Blankenburg (East Sector) was expropriated and nationalized. In West Berlin only a shell of the firm is left, without active assets of any kind.

Under these circumstances the reconstruction of Degussa after the war encountered serious difficulties which were intensified by dismantlings, reparation demands, etc. The large hydrogen peroxide installations in Rheinfelden (Baden), for example, were dismantled in 1947 and shipped to the Soviet Union. Nevertheless the management has been able, within a comparatively short period, to adapt itself to the changed conditions and to put the enterprise on a sound basis again. For the fiscal year ending 30 September 1949, production amounted to 86 percent of the last prewar annual output. Exports amounted to 12.4 percent of the total output for 1949, compared with 1.5 percent for 1948. During the first 7 months of the current fiscal year, total exports amounted to 16.1 percent, or practically the equivalent of the prewar figure (16.3 percent for 1938-39). Figures for chemical exports alone are even more favorable: 21.8 percent of the total 1949 output. The output ratio for the current year is given as 36.1 percent for precious metals and 63.9 percent for chemical products.

To a great extent these favorable developments are based on the fact that the company's production is both varied and extensive. Its dual activity in chemistry and precious metals appears to be a fortunate factor, for in the recent difficult years, as well as in the not-so-recent past, it was the precious metal field which served as a mainstay for the enterprise and helped it to survive all crises. At present, Degussa has a staff of 5,500 workers and employees, 1,450 of whom work at the main plants in Frankfurt.

The company's production program is essentially the same as before the war. The two Frankfurt plants are the key enterprises. The plant in Weissfrauenstrasse produces precious metals; precious metal salts, such as silver nitrate; ceramic gold, ceramic silver, copper sulfate, etc.

The plant in the Gutleutstrasse (Frankfurt) has six factory divisions. The cyanogen section produces sodium cyanide, cyanates, sodamide, sodium cyanamide, and other cyanogen compounds. The pigment section turns out ceramic pigments made of metallic oxides, enamels, and frit glazes. After the war, a new melting installation was added to the plant and the die-mold process adopted for the manufacture of glass.

- 2 -

RESTRICTED

RESTRICTED

RESTRICTED
RESTRICTED

STAT

The so-called Ms section formerly produced rare metals such as beryllium, thorium, titanium, zirconium, and uranium. At present, this section produces barium, strontium, and pure calcium.

The crude pharmaceutical section has recently added to its production program Kyanmethin, which is used as a base for a new type of sulfonamide, a highly effective drug that is well tolerated. Another addition to the production program is Tryptophan, an amino acid.

The Degussit section produces metallic oxide porcelains which meet the most extreme thermal, chemical, electrical, and mechanical requirements.

Of the numerous Degussa subsidiaries, the following chemical plants should be mentioned:

Knappsack Plant (near Cologne): Production of metallic sodium, chlorine, and chloride of lime.

Rheinfelden Plant: Produces hydrogen peroxide. Production of sodium perborate has been resumed and a new product, sodium chlorite, has been added. The capacity of the experimental installation for highly dispersed silicic acid has been expanded to permit increased production. The product, which can be used by the rubber, dye, lacquer, pharmaceutical, cosmetics, and artificial fertilizer industries, is being put on the market under the trade name Aerosil.

Kalscheuren Plant (district of Cologne): Lampblack and all kinds of soot.

Wyhlen Plant: Calcium carbide.

Worms Plant: Lampblack, as before the war.

Bodenfelde Plant: Charcoal, pyroligneous acid, acetone, etc.

Brilon-Wald Plant: Charcoal, pyroligneous acid, crude acetic acid, active carbon etc.

Bruchhausen Plant: Ethyl acetate, methanol, formaldehyde, and pentaerythritol.

Konstanz Plant: Produces ethyl ether and methionine, an amino acid which is greatly in demand as a base for numerous pharmaceuticals for liver and gall bladder therapy.

Mainz-Mombach Plant: Acetic acid, propionic acid, butyric acid, formaldehyde, acrolein, acetylene from carbide, etc. New products are hexamethylene tetramine, amyl alcohol, higher alcohols and their esters, potassium cyanide, sodium methylate, cyanuric chloride, and Komakrin. Sodium methylate is in considerable demand as a base for many organic syntheses. Cyanuric chloride is a promising intermediary product for dyestuffs and textile chemicals.

Of the subsidiaries in West Germany and West Berlin, Degussa is in complete financial control of the following:

Deutsche Kunstlederwerke G.m.b.H. (Wolfgang near Hanau): Artificial leather, plastics, cable coverings, etc. The limited liability company was dissolved in 1948 and converted into a branch of Degussa. In addition to the aforementioned products, the plant manufactures adhesives, oxygen, dry lacquer compounds, softeners, floor and wall coverings, and depilatories.

Dr L. C. Marquardt (Buel/Rhein): Cadmium and bismuth, cadmium pigments, cobalt salts, metal cyanides, copper, selenium, thallium, zinc compounds, insecticides white fillers for the rubber industry, particularly Calsil, a calcium compound.

- 3 -

RESTRICTED

RESTRICTED

RESTRICTED

STAT

RESTRICTED

Auer Company, Inc (Berlin): The seat of the corporation and one plant are located in West Berlin. The main plant, Oranienburg, is in the Soviet Zone of Occupation. The Oranienburg plant has been destroyed by bombing and blasting. Thus far the production of gas masks and of cerium and thorium compounds has not been resumed anywhere else. The West Berlin enterprise is being reactivated gradually, and production of protective masks for miners, etc., has been started. In Roth, near Nuernberg, production of incandescent mantles has begun; the plant is to be transferred to Berlin. The production program of the Auer Company also includes cosmetics, such as Doramad toothpaste. The Auer Glass and Industrial Company, Ltd., newly founded in Bad Gandersheim, produces industrial and special glass, especially Neophan sunglasses. The company was merged recently with the Auer Company, Inc.

At present, the Degussa's board of directors includes the following: Hermann Schlosser, chairman; Helmut Achterath and Robert Hirtes, commercial directors; Dr Ernst Baerwind, Dr Ullrich Hoffmann, and Dr Ewald von Retze, technical directors; and Heinz Scherf (attorney), personnel and administration.

- E N D -

- 4 -

RESTRICTED

RESTRICTED